



STEVE COOLEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

18000 CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
210 WEST TEMPLE STREET LOS ANGELES, CA 90012-3210 (213) 974-3501

January 27, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE DISTRICT ATTORNEY TO ACCEPT 16th YEAR GRANT FUNDS
FROM THE STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE
(SCDI) FOR THE AUTOMOBILE INSURANCE FRAUD (AIF) PROGRAM
FOR FISCAL YEAR (FY) 2008-09
(ALL DISTRICTS) (4-VOTES)**

SUBJECT

The Automobile Insurance Fraud (AIF) Program supports enhanced investigation and prosecution of organized automobile insurance fraud activity. The District Attorney is requesting approval to accept grant funds in the amount of \$4,248,405 for FY 2008-09.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed Resolution authorizing the District Attorney to accept grant funds for the AIF Program from the State of California, Department of Insurance (SCDI). Funds in the amount of \$4,248,405 have been awarded for the period of July 1, 2008 to June 30, 2009. There is no required County match for this grant.
2. Authorize the District Attorney to execute the Grant Award Agreement (GAA) on behalf of the County of Los Angeles.
3. Authorize the District Attorney or his designee, on behalf of the County of Los Angeles, to serve as project director and to sign and approve any revisions to the GAA that do not increase the net County cost of the Agreement.
4. Approve the attached budget adjustment in the amount of \$584,000 to allocate funding authority to salary and employee benefits, services and supplies, and fixed assets for the AIF Program. This amount represents the difference between the grant award of \$4,248,405, carryover funds in the amount of \$505,504 and the amount budgeted for FY 2008-09.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 24, 2008, the District Attorney's Office submitted an application to the SCDI to continue funding for the AIF Program in FY 2008-09. The District Attorney was awarded \$4,248,405 for the period of July 1, 2008 to June 30, 2009.

In addition, FY 2007-08 has carryover funds in the amount of \$505,504 for use in FY 2008-09. Therefore, the total available funding from SCDI from this program is \$4,753,909, of which \$4,170,000 was included in the District Attorney's FY 2008-09 budget. A budget adjustment for the difference of \$584,000 is needed to allocate appropriation for the full amount allocated to the program.

The objective of the District Attorney's AIF Program is to enhance its efforts in the identification, investigation, and prosecution of major auto insurance fraud rings, syndicates, gangs, and organizations in Los Angeles County. Perpetrators include unscrupulous doctors, chiropractors, lawyers and others engaged in organized automobile insurance fraud.

Board approval is required to accept grant funds and the SCDI requires an approved resolution as part of the GAA. The enclosed resolution has been approved as to form by County Counsel and adoption of the resolution will satisfy County and State requirements.

Implementation of Strategic Goals

This program directly supports the District Attorney's core mission to vigorously prosecute felony crimes throughout the County of Los Angeles. Authorizing the District Attorney to accept AIF funds supports the County's Strategic Plan Goal No. 4, Fiscal Responsibility, by securing available revenue to offset program costs.

FISCAL IMPACT/FINANCING

If funding for this program is terminated, an evaluation will be conducted to determine whether the program will either be continued with costs absorbed by the department, or discontinued with the reallocation of staff to vacant budgeted positions.

There is no net County cost associated with this program.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the provisions of §1872.8 of the California Insurance Code, the State of California, Department of Insurance is authorized to award and distribute certain funds to district attorneys submitting plans approved by the Bureau of Fraudulent Claims for the increased investigation and prosecution of fraudulent automobile insurance claims. The District Attorney has been awarded funding for this Program for the past fifteen years.


IMPACT ON CURRENT SERVICES (OR PROJECTS)

This program does not propose attorney staff augmentation. Therefore, the District Attorney's Office is not subject to the Board motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Departments.

CONCLUSION

Following Board approval, the Executive Officer-Clerk of the Board is requested to return two copies of the adopted Board Letter and executed Resolution, with a wet signature, to Ms. Patricia Boone, Grants Unit, Los Angeles County District Attorney's Office, 201 N. Figueroa Street, Suite 1300, Los Angeles, California 90012. Any questions may be directed to Ms. Boone at (213) 202-7668.

Respectfully submitted,


STEVE COOLEY
District Attorney

Attachments

c: Chief Executive Officer
County Counsel

1 **BOARD OF SUPERVISORS**
2 **COUNTY OF LOS ANGELES**

3 **RESOLUTION**

4 Authorization to Accept a Grant Award from the
5 State of California, Department of Insurance
6 Pursuant to California Insurance Code
7 Chapter 12 commencing with §1871, et seq.

8 **WHEREAS**, the provisions of §1872.8 of the California Insurance
9 Code authorize the State of California, Department of Insurance to award and
10 distribute certain funds to district attorneys submitting plans approved by the
11 Bureau of Fraudulent Claims for the increased investigation and prosecution of
12 fraudulent automobile insurance claims; and the District Attorney is charged with
13 providing prosecution of all felony offenses committed within this County; and

14 **WHEREAS**, the County of Los Angeles, acting through its Board of
15 Supervisors, desires to combat automobile insurance fraud by undertaking a certain
16 project designated the "Automobile Insurance Fraud Program" by the District Attorney
17 to be funded through funds made available by the Insurance Fraud Prevention Act as
18 provided for pursuant to California Insurance Code §1872.8, administered by the State
19 of California, Department of Insurance; and

20 **WHEREAS**, the State of California, Department of Insurance approved
21 the fraud reduction plan submitted by the Los Angeles County District Attorney's Office
22 for Fiscal Year 2008-2009 for the Automobile Insurance Fraud Program and awarded
23 funding to the Program;

24 **NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of
25 the County of Los Angeles hereby authorizes and approves acceptance of grant funds
26 from the State of California, Department of Insurance, to be used exclusively for the

1 program designated the "Automobile Insurance Fraud Program" for the period
2 covering July 1, 2008 to June 30, 2009;

3 **BE IT FURTHER RESOLVED** that the County of Los Angeles
4 hereby authorizes the District Attorney, or his designee, to serve as Project
5 Director and to perform all further tasks necessary for the completion of the
6 project, including any extensions, execution and submission of amendments,
7 progress reports, and payment requests relating to the Grant Award Agreement;

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1 I DO HEREBY CERTIFY that at a regular meeting of the Board of
2 Supervisors of the County of Los Angeles, on the 27TH day of
3 JANUARY, 2009, the forgoing Resolution was adopted.

4 IN WITNESS WHEREOF, I have hereunto set my hand and
5 affixed the seal of the Board of Supervisors of the County of Los Angeles
6 this 27TH day of JANUARY, 2009.



County of Los Angeles

By [Signature]
Chairman, Board of Supervisors

12 ~~SACHI A. HAMAI~~
13 ~~Executive Officer-Clerk of the~~
14 ~~Board of Supervisors of the~~
15 ~~County of Los Angeles~~

16 By [Signature]
17 Deputy

18 APPROVED AS TO FORM
19 BY COUNTY COUNSEL:

20 RAYMOND G. FORTNER, JR.

21 By [Signature]
22 Deputy

Los Angeles County Chief Executive Office
Grant Management Statement for Grants Exceeding \$100,000

Department: District Attorney

Grant Project Title and Description

Auto Insurance Fraud Program

The objective of this program is to enhance prosecutorial efforts and criminal investigations of major auto insurance fraud rings, syndicates, gangs, and organizations in Los Angeles County. These grant funds will allow the District Attorney's Office to continue its collaborative efforts with the State of California, Department of Insurance (SCDI) to identify, investigate and prosecute organized automobile insurance fraud rings (staged accidents, cappers, etc.). Perpetrators also include unscrupulous doctors, chiropractors, lawyers and others who profit from fraudulent automobile insurance claims.

Funding Agency
California Department of Insurance

Program (Fed. Grant # /State Bill or Code #)
California Insurance Code § 1872.8

Grant Acceptance Deadline

Total Amount of Grant Funding: \$4,248,405

County Match: \$0

Grant Period: FY 2008-2009 **Begin Date:** July 1, 2008

End Date: June 30, 2009

Number of Personnel Hired Under This Grant: 30

Full Time: 27 **Part Time:** 5

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program? Yes ☒ No ☐

Will all personnel hired for this program be placed on temporary ("N") items? Yes ☒ No ☐

Is the County obligated to continue this program after the grant expires? Yes ☐ No ☒

If the County is not obligated to continue this program after the grant expires, the Department will:

a). Absorb the program cost without reducing other services Yes ☐ No ☒

b). Identify other revenue sources Yes ☐ No ☒
(Describe) _____

c). Eliminate or reduce, as appropriate, positions/program costs funded by the grant. Yes ☒ No ☐

Impact of additional personnel on existing space: None

Other requirements not mentioned above: None

Department Head Signature _____

S.L. Cu

Date _____

12/24/08

BOARD OF
SUPERVISORS
OFFICIAL COPY

DEPT'S.
NO. 370
January 7, 2009

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT
DEPARTMENT OF DISTRICT ATTORNEY'S OFFICE

AUDITOR CONTROLLER:
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE
REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR THE
RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FISCAL YEAR 2008-2009

4 -VOTES

SOURCES

✓ District Attorney
A01 - DA - 88 - 8831 - 14030
✓ State - Other Revenue \$584,000
Increase Revenue

USES

✓ District Attorney
A01 - DA - 1000 - 14030
✓ Salaries & Employee Benefits \$541,000
Increase Appropriation

✓ District Attorney
A01 - DA - 2000 - 14030
✓ Services & Supplies \$27,000
Increase Appropriation

✓ District Attorney
A01 - DA - 6030 - 14030
✓ Fixed Assets \$16,000
Increase Appropriation

JUSTIFICATION

This Budget Adjustment allocates the unbudgeted revenue from the State of California, Department of Insurance for the Automobile Insurance Fraud (AIF) Program. The additional appropriation will provide sufficient funds needed to successfully implement the program.

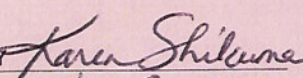

Norbert Ruiz, Chief
Budget & Fiscal Services Division

CHIEF EXECUTIVE OFFICER'S REPORT

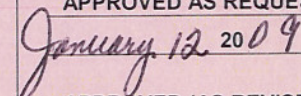
REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR

✓ ACTION
RECOMMENDATION

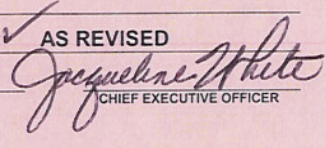
AUDITOR CONTROLLER
NO. 115

BY 
Jan 8 20 09

APPROVED AS REQUESTED ✓ AS REVISED


January 12 20 09

APPROVED (AS REVISED)
BOARD OF SUPERVISOR'S

BY 
CHIEF EXECUTIVE OFFICER
DEPUTY COUNTY CLERK

SEND 5 COPIES TO THE AUDITOR-CONTROLLER